

1 Q. **Reference: Schedule 7: Capital Programs and Projects, Program 8: Replace Light-Duty Vehicles**  
2 **(2026 - 2027)**

3 Page 7, lines 16-17.

4 "This program also includes \$100,000 in 2026 to address in-service failures for  
5 fleet vehicles."

6 a) Describe the types of in-service failures that would be addressed with this portion of the  
7 budget.

8 b) How were these in-service failures for light-duty fleet vehicles dealt with in capital  
9 budgets from 2021 to 2025?

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- 12 A. a) A budget allocation for in-service failures is put in place to address premature failures of  
13 light-duty vehicles when mileage and/or age of the asset have not reached replacement  
14 criteria, and the repair is not covered under the original equipment manufacturer  
15 warranty. These types of in-service failures include repairs to major powertrain  
16 components, including engines, transfer cases and transmissions.
- 17 b) 2025 was the first time that the light-duty vehicle replacement program included a  
18 dedicated in-service failures budget. Major component failures would have been either  
19 completed without the need for an application, as their costs were less than the legislated  
20 threshold amount,<sup>1</sup> utilized the operating budget if appropriate, or if a vehicle was close to  
21 retirement, and analysis showed the least-cost option would be to retire, the vehicle would  
22 have been retired without repair.

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<sup>1</sup> Historically this amount was \$50,000, until it was increased to \$750,000 in 2023.